

**To the Michigan House Tax Policy Committee:**

My name is Mary Ann Watson and I live in the Battle Creek area.

I was employed at the Michigan Department of State, Secretary of State Office for 32 years and retired in November of 2002. At the end of my first full year of retirement in 2003 I earned a gross pay of \$30,534.12.

My annual health insurance premium cost me \$918.54, vision insurance premium was \$10.30 and my dental insurance was \$67.26.

My income for the year ending 2010 was \$32,373.48. Health insurance premium was \$1590.12, vision insurance premium was \$12.60, and dental insurance premium was \$91.98.

When you do the math my income increase over a period of 8 years was only \$1140.66 and that's because my portion of health, dental, and vision premiums increased \$698.70.

I can assure you that food, property taxes, gas, car insurance, homeowners insurance, propane, electric, rubbish disposal have all increased over the past 8 years to well over the amount of the increase I have received in my pension. Gas alone has more than doubled since 2003. In fact, after some research I found that a gallon of gas in March of 2003 was only \$1.72 a gallon and today it is \$3.60 a gallon....more than doubled.

The reason I'm mentioning all this is that I want you to know that if Governor Snyder's budget proposal of taxing my pension, cutting the homestead property tax credit, and eliminating the senior personal exemption goes through, I will not have any discretionary money to spend....period! And that means I will spend less money in this State, thereby taking away from the economy instead of contributing to it. I am only one pensioner and if you multiply what **I would have spent** had my pension not been taxed by the total amount of all the pensioners in this state, just how do you expect jobs to increase? It would seem to me if people are spending less then businesses would be making less money thereby resulting in lay offs instead of adding jobs.

I'm not a math guru or a trained economist but I don't think my thought process is too far off when you really look at what I've said.

I have stayed in Michigan because of the favorable tax climate for pensioners. I planned my retirement with the promise I was given that my pension would not be taxed. Yes, I may be young enough to possibly find a part-time job to supplement my pension but there are many more pensioners who are older than I who cannot go back to work.

The way I see it is that Governor Snyder's proposal is unfair, unconstitutional, and he has a total lack of vision or compassion for the elderly, and lower and middle class residents of this State.

Thank you for the opportunity to comment.

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